

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re

PETER KASELLA
HEIDI KASELLA
Debtor(s).

Case No.

19-50584

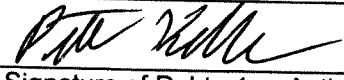
SIGNATURE DECLARATION

- ☐ PETITION, SCHEDULES & STATEMENTS
☐ CHAPTER 13 PLAN
☐ VOLUNTARY CONVERSION, SCHEDULES AND STATEMENTS
☐ AMENDMENT TO PETITION, SCHEDULES & STATEMENTS
☐ MODIFIED CHAPTER 13 PLAN
☒ OTHER (PLEASE DESCRIBE: Modified Ch 12 plan)

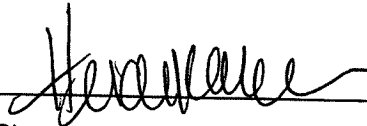
I [We], the undersigned debtor(s) or authorized representative of the debtor, make the following declarations under penalty of perjury:

1. The information I have given my attorney for the electronically filed petition, statements, schedules, amendments, and/or chapter 13 plan, as indicated above, is true and correct;
2. The Social Security Number or Tax Identification Number I have given to my attorney for entry into the court's Case Management/Electronic Case Filing (CM/ECF) system as a part of the electronic commencement of the above-referenced case is true and correct;
3. **[individual debtors only]** If no Social Security Number was provided as described in paragraph 2 above, it is because I do not have a Social Security Number;
4. I consent to my attorney electronically filing with the United States Bankruptcy Court my petition, statements and schedules, amendments, and/or chapter 13 plan, as indicated above, together with a scanned image of this Signature Declaration;
5. My electronic signature contained on the documents filed with the Bankruptcy Court has the same effect as if it were my original signature on those documents; and
6. **[corporate and partnership debtors only]** I have been authorized to file this petition on behalf of the debtor.

Date: 1-10-2020

x 
Signature of Debtor 1 or Authorized Representative

PETER KASELLA
Printed Name of Debtor 1 or
Authorized Representative

x 
Signature of Debtor 2

HEIDI KASELLA
Printed Name of Debtor 2

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In RE:

Peter Kasella,
Heidi Kasella,

Case No.: 19-50584
Chapter 12

Debtor,

CHAPTER 12 PLAN DATED JANUARY 10, 2020

ARTICLE I
ADMINISTRATIVE PRIORITY CLAIMS

The Chapter 12 trustee shall make application to the Court for approval of trustee's fees and for any reasonable and necessary expenses of the trustee in effectuating the trustee's duties under the Bankruptcy Code in administering this case. The debtor(s) shall pay an amount equal to five percent (5%) of all payments disbursed by the Chapter 12 trustee as an estimated payment and the trustee shall hold the fee until the trustee's fees and expenses are applied for and approved by the Court. Once the trustee's fees are approved, the trustee shall pay them. If there are excess funds in the account at the end of the case, the money shall be paid to the unsecured creditors and any excess after paying the unsecured creditors shall be paid to the debtors, unless otherwise ordered by the Court. The term of this plan shall be 60 months.

The debtor shall submit operating reports and bank statements on a monthly basis to the chapter 12 trustee over the term of the plan.

ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS

CLASS 1: Leslie E. Wolff and Maxine A. Wolff

CLASS 2: John Deere Financial

CLASS 3: BMO Harris Bank NA

CLASS 4: Wells Fargo Bank, NA

CLASS 5: Priority Claims

CLASS 6: Velde Moore, Ltd.

CLASS 7: Unsecured Creditors

ARTICLE III

CLASS 1

Class 1 is comprised of Leslie E. Wolff and Maxine E. Wolff (the Wolffs). The Wolffs are the vendors on a recorded contract for deed with the debtors/vendees. The debtors are purchasing their homestead from the Wolffs. The debtors will continue to make direct payments on this obligation to the Wolffs under pre-petition terms at a rate of \$923.00 per month.

CLASS 2

Class 2 is comprised of John Deere Financial. John Deere possesses a purchase money security interest in a Gator. The debtors propose to surrender the collateral to John Deere Financial pursuant to 11 U.S.C. Sec. 1225(a)(5)(C).

CLASS 3

Class 3 is comprised of BMO Harris Bank NA (BMO). BMO possesses a security interest in a 2015 Chrysler Town and Country. The debtors will modify their obligation to BMO through the plan. The debtors propose to pay the loan balance of \$13,011.98 at 6% over 60 months.

| | Payment | Trustee Fee | Total |
|-----|----------|-------------|----------|
| BMO | \$251.56 | \$12.58 | \$264.14 |

CLASS 4

Class 4 is comprised of Wells Fargo Bank, N.A. Wells Fargo claims a purchase money security interest in the household goods of the debtors. The debtors propose to surrender the collateral to Wells Fargo Bank N.A. pursuant to 11 U.S.C. Sec. 1225(a)(5)(C).

CLASS 5

Class 5 is comprised of the filed priority claims for the Internal Revenue Service (IRS), in the amount of \$53,779.89, and that of the Minnesota Department of Revenue (MN Rev), in the amount of \$3,661.53.

The debtors have \$100,000.00 available from the sale of their remaining feed which will be turned over to the Trustee immediately upon confirmation of the debtors' plan. From these funds, the debtors proposed to pay the allowed priority claims of the IRS and MN Department of Revenue in full at the Trustee's earliest convenience once their plan is confirmed, subject to the following:

- a. The IRS claim is based on estimates for unfiled returns. The debtors intend to file their FUTA and Agri-FICA returns for 2018 and 2019 and expect an amendment

to the IRS claim. The Trustee shall hold the \$100,000 sale proceeds, less payments to the MN Department of Revenue, until (1) the IRS amends its claim, or (2) the Court makes a final determination of any objections to the IRS claim and the resolution of any appeals

| | Payment | Trustee Fee | Total |
|--------|------------|-------------|------------|
| IRS | Unknown | Unknown | Unknown |
| MN Rev | \$3,661.53 | \$183.08 | \$3,844.61 |
| Total | | | Unknown |

CLASS 6

Class 6 is comprised of attorney fees owed to Velde Moore, Ltd. Velde Moore, Ltd will be paid \$200.00 an hour for its pre and post-petition services and shall file periodic free applications for amounts due. In addition the debtor shall provide the trustee with such additional funds as are necessary to provide for the trustee fees on such payment. The debtors will make 60 monthly payments to the trustee of \$105.00 for attorney and trustee fees.

| Monthly Payment | Trustee Fee | Total |
|-----------------|-------------|----------|
| \$100.00 | \$5.00 | \$105.00 |

CLASS 7

Class 7 is that of all unsecured creditors. The debtors propose to withhold each year sums of money for reasonable and necessary expenses to preserve and continue the debtors' farm operation as authorized under 11 U.S.C. § 1225(b)(2)(B). The debtors shall commit all disposable income to the completion of the plan. The debtors will make an initial plan payment of \$100,000.00 after confirmation. An unknown amount will be tendered to the IRS and MN Revenue, along with trustee fees, in Class 5, the remainder will be distributed to unsecured creditors and for trustee fees. The debtors will also recover the preference paid to Crow Wing Power in the amount of \$10,000.00, and shall turn those funds over to the trustee after recovery. The debtors will also make 60 monthly payments of \$125.00 per month beginning the month after confirmation. The debtors will pay a minimum of \$117,450.62. To priority and general unsecured creditors, not including attorney fees.

ARTICLE IV **LIQUIDATION ANALYSIS**

The Liquidation Analysis as required under Section 1225 (a) (4) is attached as Attachment A. This analysis represents the values as a result of using the Minnesota exemptions.

ARTICLE V
EXECUTORY CONTRACTS

The debtor does hereby assume and agree to continue any and all executory contracts with Leslie E. Wolff and Maxine A. Wolff and Rainbow Acres.

ARTICLE VI
FARM INCOME AND EXPENSES

The debtor shall satisfy the obligations of this plan through income from wage income and farm income, see attached schedules I and J.

POST-PETITION CREDITORS AND SUPPLIERS

The debtor shall administer contracts on all post-petition contracts outside of the plan.

Dated: January 10, 2020

/e/ Peter Kasella
/e/ Heidi Kasella

| Asset | Value | Lien | Lienholder | Exemption | Estate |
|---------------------|-------------------|-------------------|--------------|-------------------|-------------------|
| Homestead | 235,000.00 | 100,000.00 | Cfd Wolff | 150,000.00 | |
| 05 Dodge 2500 | 6,000.00 | | | 4,800.00 | 1,200.00 |
| 15 Chrysler T&C | 16,850.00 | 13,011.98 | BMO Harris | 4,800.00 | |
| 98 TramAM 1/2 Inter | 9,500.00 | | | | 4,750.00 |
| JD Gator | 8,000.00 | 8,528.00 | JD Financial | | |
| 04 Skidoo | 1,500.00 | | | | 1,500.00 |
| Household Goods | 5,000.00 | | | 5,000.00 | |
| Clothing | 1,000.00 | | | 1,000.00 | |
| Pine Cty #2259 | 13,165.12 | | | 13,165.12 | |
| Pine Cty #0509 | 0.62 | | | | 0.62 |
| Crow Wing Power | 10,000.00 | | | | 10,000.00 |
| Escrow homestead | 20,000.00 | | | 20,000.00 | |
| Earnest money | 20,000.00 | | | 20,000.00 | |
| 2018 Refunds | 0.00 | | | | |
| Feed Inventory | 100,000.00 | | | | 100,000.00 |
| Total | 446,015.74 | 121,539.98 | | 218,765.12 | 117,450.62 |

Fill in this information to identify your case:

Debtor 1 **PETER KASELLA**

Debtor 2 **HEIDI KASELLA**
(Spouse, if filing)

United States Bankruptcy Court for the: **DISTRICT OF MINNESOTA**

Case number **19-50584**
(If known)

Check if this is:

- ☒ An amended filing
☐ A supplement showing postpetition chapter 13 income as of the following date:

MM / DD / YYYY

Official Form 106I

Schedule I: Your Income

12/15

Be as complete and accurate as possible. If two married people are filing together (Debtor 1 and Debtor 2), both are equally responsible for supplying correct information. If you are married and not filing jointly, and your spouse is living with you, include information about your spouse. If you are separated and your spouse is not filing with you, do not include information about your spouse. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Describe Employment

1. Fill in your employment information.

If you have more than one job, attach a separate page with information about additional employers.

Include part-time, seasonal, or self-employed work.

Occupation may include student or homemaker, if it applies.

Employment status

Occupation

Employer's name

Employer's address

Debtor 1

- ☒ Employed
☐ Not employed

HERDSMAN/FARMER

RAINBOW ACRES DAIRY

SWANVILLE, MN

Debtor 2 or non-filing spouse

- ☒ Employed
☐ Not employed

FARMER/HOMEMAKER

How long employed there? **3 MONTHS**

Part 2: Give Details About Monthly Income

Estimate monthly income as of the date you file this form. If you have nothing to report for any line, write \$0 in the space. Include your non-filing spouse unless you are separated.

If you or your non-filing spouse have more than one employer, combine the information for all employers for that person on the lines below. If you need more space, attach a separate sheet to this form.

| | For Debtor 1 | For Debtor 2 or non-filing spouse |
|--|--------------------|-----------------------------------|
| 2. List monthly gross wages, salary, and commissions (before all payroll deductions). If not paid monthly, calculate what the monthly wage would be. | \$ 3,500.00 | \$ 0.00 |
| 3. Estimate and list monthly overtime pay. | +\$ 0.00 | +\$ 0.00 |
| 4. Calculate gross income. Add line 2 + line 3. | \$ 3,500.00 | \$ 0.00 |

Debtor 1 **PETER KASELLA**
Debtor 2 **HEIDI KASELLA**

Case number (if known) **19-50584**

| | For Debtor 1 | For Debtor 2 or non-filing spouse |
|--|------------------------|-----------------------------------|
| Copy line 4 here | 4. \$ 3,500.00 | \$ 0.00 |
| 5. List all payroll deductions: | | |
| 5a. Tax, Medicare, and Social Security deductions | 5a. \$ 466.66 | \$ 0.00 |
| 5b. Mandatory contributions for retirement plans | 5b. \$ 0.00 | \$ 0.00 |
| 5c. Voluntary contributions for retirement plans | 5c. \$ 0.00 | \$ 0.00 |
| 5d. Required repayments of retirement fund loans | 5d. \$ 0.00 | \$ 0.00 |
| 5e. Insurance | 5e. \$ 0.00 | \$ 0.00 |
| 5f. Domestic support obligations | 5f. \$ 0.00 | \$ 0.00 |
| 5g. Union dues | 5g. \$ 0.00 | \$ 0.00 |
| 5h. Other deductions. Specify: | 5h.+ \$ 0.00 | \$ 0.00 |
| 6. Add the payroll deductions. Add lines 5a+5b+5c+5d+5e+5f+5g+5h. | 6. \$ 466.66 | \$ 0.00 |
| 7. Calculate total monthly take-home pay. Subtract line 6 from line 4. | 7. \$ 3,033.34 | \$ 0.00 |
| 8. List all other income regularly received: | | |
| 8a. Net income from rental property and from operating a business, profession, or farm Attach a statement for each property and business showing gross receipts, ordinary and necessary business expenses, and the total monthly net income. | 8a. \$ 0.00 | \$ 0.00 |
| 8b. Interest and dividends | 8b. \$ 0.00 | \$ 0.00 |
| 8c. Family support payments that you, a non-filing spouse, or a dependent regularly receive Include alimony, spousal support, child support, maintenance, divorce settlement, and property settlement. | 8c. \$ 0.00 | \$ 0.00 |
| 8d. Unemployment compensation | 8d. \$ 0.00 | \$ 0.00 |
| 8e. Social Security | 8e. \$ 0.00 | \$ 0.00 |
| 8f. Other government assistance that you regularly receive Include cash assistance and the value (if known) of any non-cash assistance that you receive, such as food stamps (benefits under the Supplemental Nutrition Assistance Program) or housing subsidies. Specify: | 8f. \$ 0.00 | \$ 0.00 |
| 8g. Pension or retirement income | 8g. \$ 0.00 | \$ 0.00 |
| 8h. Other monthly income. Specify: HOUSING STIPEND BEEF CATTLE SALES: ANNUAL AVERAGE USED | 8h.+ \$ 800.00 | \$ 0.00 |
| | \$ 83.33 | \$ 0.00 |
| 9. Add all other income. Add lines 8a+8b+8c+8d+8e+8f+8g+8h. | 9. \$ 883.33 | \$ 0.00 |
| 10. Calculate monthly income. Add line 7 + line 9. Add the entries in line 10 for Debtor 1 and Debtor 2 or non-filing spouse. | 10. \$ 3,916.67 | \$ 0.00 |
| 11. State all other regular contributions to the expenses that you list in Schedule J. Include contributions from an unmarried partner, members of your household, your dependents, your roommates, and other friends or relatives. Do not include any amounts already included in lines 2-10 or amounts that are not available to pay expenses listed in Schedule J. Specify: | 11. +\$ 0.00 | |
| 12. Add the amount in the last column of line 10 to the amount in line 11. The result is the combined monthly income. Write that amount on the Summary of Schedules and Statistical Summary of Certain Liabilities and Related Data, if it applies | 12. \$ 3,916.67 | Combined monthly income |
| 13. Do you expect an increase or decrease within the year after you file this form? | | |
| <input type="checkbox"/> No. | | |
| <input checked="" type="checkbox"/> Yes. Explain: DEBTOR EXPECTS TO RECEIVE A RAISE AFTER ONE YEAR AT WORK AND CO-DEBTOR EXPECTS TO START P/T JOB AFTER ONE YEAR WHEN ALL THEIR CHILDREN ARE SCHOOL AGE. DEBTORS WILL BE RAISING BEEF CATTLE, APPROXIMATELY 5 HEAD ANNUALLY, NETTING APPROXIMATELY \$1,000 PER YEAR | | |

Fill in this information to identify your case:

Debtor 1 PETER KASELLA

Debtor 2 HEIDI KASELLA
(Spouse, if filing)

United States Bankruptcy Court for the: DISTRICT OF MINNESOTA

Case number 19-50584
(If known)

Check if this is:

- ☒ An amended filing
- ☐ A supplement showing postpetition chapter 13 expenses as of the following date:

MM / DD / YYYY

Official Form 106J

Schedule J: Your Expenses

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach another sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Describe Your Household

1. Is this a joint case?

☐ No. Go to line 2.

☒ Yes. Does Debtor 2 live in a separate household?

☒ No

☐ Yes. Debtor 2 must file Official Form 106J-2, *Expenses for Separate Household* of Debtor 2.

2. Do you have dependents? ☐ No

Do not list Debtor 1 and Debtor 2.

☒ Yes. Fill out this information for each dependent.....

Do not state the dependents names.

Dependent's relationship to Debtor 1 or Debtor 2

Dependent's age

Does dependent live with you?

SON

3

☐ No
☒ Yes

SON

7

☐ No
☒ Yes

SON

11

☐ No
☒ Yes

DAUGHTER

13

☐ No
☒ Yes

3. Do your expenses include expenses of people other than yourself and your dependents? ☒ No
☐ Yes

Part 2: Estimate Your Ongoing Monthly Expenses

Estimate your expenses as of your bankruptcy filing date unless you are using this form as a supplement in a Chapter 13 case to report expenses as of a date after the bankruptcy is filed. If this is a supplemental *Schedule J*, check the box at the top of the form and fill in the applicable date.

Include expenses paid for with non-cash government assistance if you know the value of such assistance and have included it on *Schedule I: Your Income* (Official Form 106I.)

Your expenses

4. The rental or home ownership expenses for your residence. Include first mortgage payments and any rent for the ground or lot.

4. \$ 923.00

If not included in line 4:

4a. Real estate taxes

4a. \$ 190.00

4b. Property, homeowner's, or renter's insurance

4b. \$ 0.00

4c. Home maintenance, repair, and upkeep expenses

4c. \$ 0.00

4d. Homeowner's association or condominium dues

4d. \$ 0.00

5. Additional mortgage payments for your residence, such as home equity loans

5. \$ 0.00

Debtor 1 **PETER KASELLA**
Debtor 2 **HEIDI KASELLA**

Case number (if known) **19-50584**

6. Utilities:

| | | |
|--|--------|---------------|
| 6a. Electricity, heat, natural gas | 6a. \$ | <u>0.00</u> |
| 6b. Water, sewer, garbage collection | 6b. \$ | <u>0.00</u> |
| 6c. Telephone, cell phone, Internet, satellite, and cable services | 6c. \$ | <u>0.00</u> |
| 6d. Other. Specify: <u>CELL</u> | 6d. \$ | <u>150.00</u> |

INTERNET

CABLE

| | | |
|--|--------|---------------|
| 7. Food and housekeeping supplies | 7. \$ | <u>600.00</u> |
| 8. Childcare and children's education costs | 8. \$ | <u>15.00</u> |
| 9. Clothing, laundry, and dry cleaning | 9. \$ | <u>150.00</u> |
| 10. Personal care products and services | 10. \$ | <u>150.00</u> |
| 11. Medical and dental expenses | 11. \$ | <u>20.00</u> |
| 12. Transportation. Include gas, maintenance, bus or train fare. Do not include car payments. | 12. \$ | <u>500.00</u> |
| 13. Entertainment, clubs, recreation, newspapers, magazines, and books | 13. \$ | <u>100.00</u> |
| 14. Charitable contributions and religious donations | 14. \$ | <u>80.00</u> |

15. Insurance.

Do not include insurance deducted from your pay or included in lines 4 or 20.

| | | |
|--------------------------------------|---------|---------------|
| 15a. Life insurance | 15a. \$ | <u>75.00</u> |
| 15b. Health insurance | 15b. \$ | <u>0.00</u> |
| 15c. Vehicle insurance | 15c. \$ | <u>191.00</u> |
| 15d. Other insurance. Specify: _____ | 15d. \$ | <u>0.00</u> |

16. Taxes. Do not include taxes deducted from your pay or included in lines 4 or 20.
Specify: _____

| | |
|--------|-------------|
| 16. \$ | <u>0.00</u> |
|--------|-------------|

17. Installment or lease payments:

| | | |
|---------------------------------|---------|-------------|
| 17a. Car payments for Vehicle 1 | 17a. \$ | <u>0.00</u> |
| 17b. Car payments for Vehicle 2 | 17b. \$ | <u>0.00</u> |
| 17c. Other. Specify: _____ | 17c. \$ | <u>0.00</u> |
| 17d. Other. Specify: _____ | 17d. \$ | <u>0.00</u> |

18. Your payments of alimony, maintenance, and support that you did not report as deducted from your pay on line 5, Schedule I, Your Income (Official Form 106I).

| | |
|--------|-------------|
| 18. \$ | <u>0.00</u> |
|--------|-------------|

19. Other payments you make to support others who do not live with you.

| | |
|----|-------------|
| \$ | <u>0.00</u> |
|----|-------------|

Specify: _____

20. Other real property expenses not included in lines 4 or 5 of this form or on Schedule I: Your Income.

| | | |
|---|---------|-------------|
| 20a. Mortgages on other property | 20a. \$ | <u>0.00</u> |
| 20b. Real estate taxes | 20b. \$ | <u>0.00</u> |
| 20c. Property, homeowner's, or renter's insurance | 20c. \$ | <u>0.00</u> |
| 20d. Maintenance, repair, and upkeep expenses | 20d. \$ | <u>0.00</u> |
| 20e. Homeowner's association or condominium dues | 20e. \$ | <u>0.00</u> |

21. Other: Specify: _____

| | |
|---------|-------------|
| 21. +\$ | <u>0.00</u> |
|---------|-------------|

22. Calculate your monthly expenses

22a. Add lines 4 through 21.
22b. Copy line 22 (monthly expenses for Debtor 2), if any, from Official Form 106J-2
22c. Add line 22a and 22b. The result is your monthly expenses.

| | |
|----|-----------------------------|
| \$ | <u>3,289.00</u> |
| \$ | <u> </u> |
| \$ | <u>3,289.00</u> |

23. Calculate your monthly net income.

23a. Copy line 12 (your combined monthly income) from Schedule I.
23b. Copy your monthly expenses from line 22c above.

| | |
|----------|-----------------|
| 23a. \$ | <u>3,916.67</u> |
| 23b. -\$ | <u>3,289.00</u> |

23c. Subtract your monthly expenses from your monthly income.
The result is your *monthly net income*.

| | |
|---------|---------------|
| 23c. \$ | <u>627.67</u> |
|---------|---------------|

24. Do you expect an increase or decrease in your expenses within the year after you file this form?

For example, do you expect to finish paying for your car loan within the year or do you expect your mortgage payment to increase or decrease because of a modification to the terms of your mortgage?

☒ No.

☐ Yes.

Explain here: _____